

Making a More Effective Case for Higher Education

Dr. Don Bruce, Director
April 2025



THE UNIVERSITY OF
TENNESSEE
KNOXVILLE

BOYD CENTER FOR BUSINESS
AND ECONOMIC RESEARCH

Tough Times for Higher Education!

Research funding is at risk

DEIAB is dead (long live DEIAB!)

Public scrutiny is at an all-time high

The **labor market** for high school graduates is strong (for now)

Shifting conventional wisdom about **value of going to college**

Concerns about **student loan debt**

Athletics morphing to a professional model

Misinformation is the new normal

We need to update our value proposition and our messaging.

Outline:



Quick Economic Update



Re-framing the Value of
Higher Education

Private value to students
Public value to society

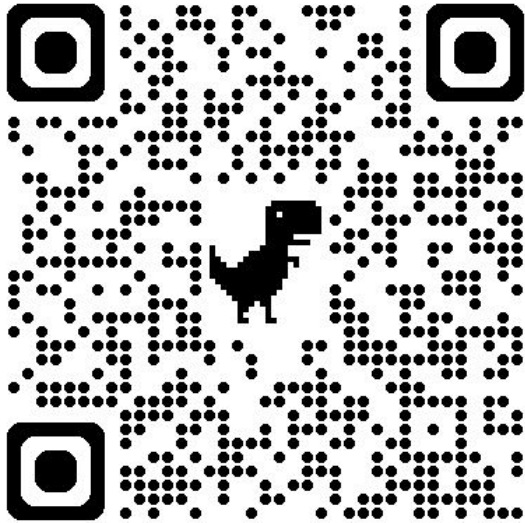


Thoughts on Messaging in the Current Climate

Disclaimer: The opinions expressed in this presentation are my own, and not necessarily those of the University of Tennessee, Knoxville, the University of Tennessee System, President Randy Boyd, or any other entity or person.

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(But I sure wish they were!)

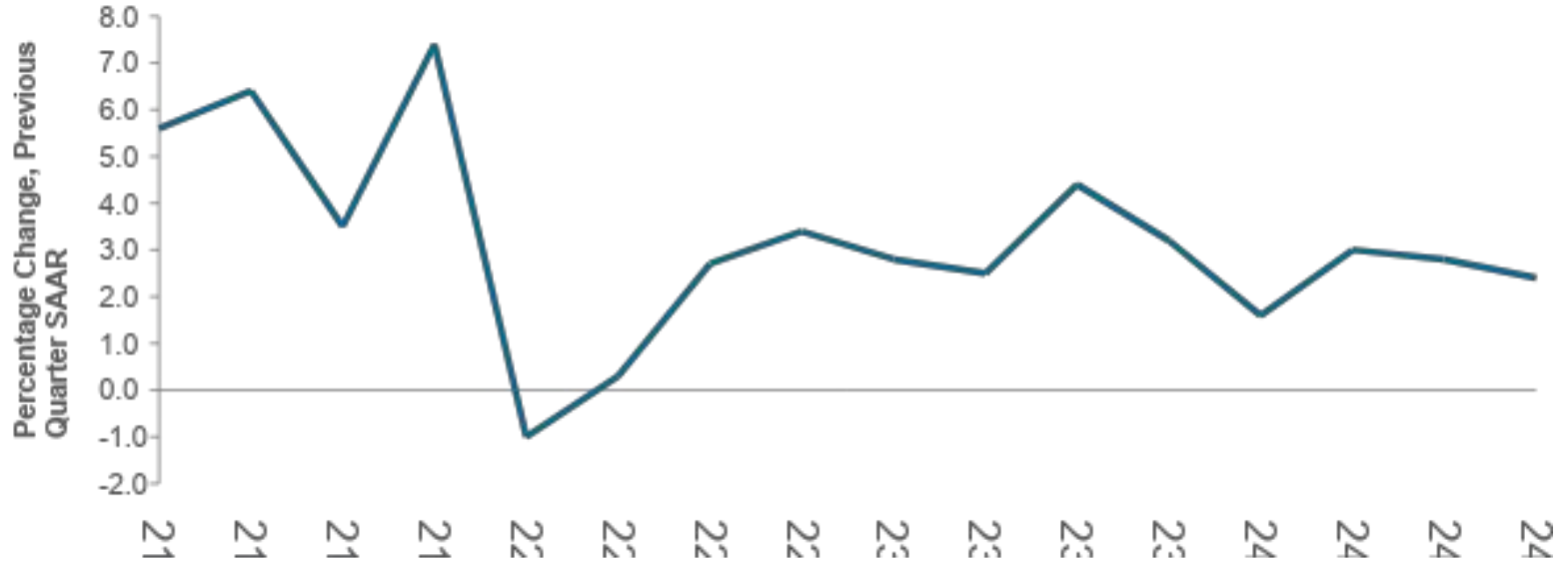


AN ECONOMIC REPORT
TO THE GOVERNOR
OF THE STATE OF TENNESSEE

THE STATE'S
ECONOMIC
OUTLOOK
JANUARY

2025

The National Economy Remains Strong, but Slowing



Source: BEA

2.8%

2024

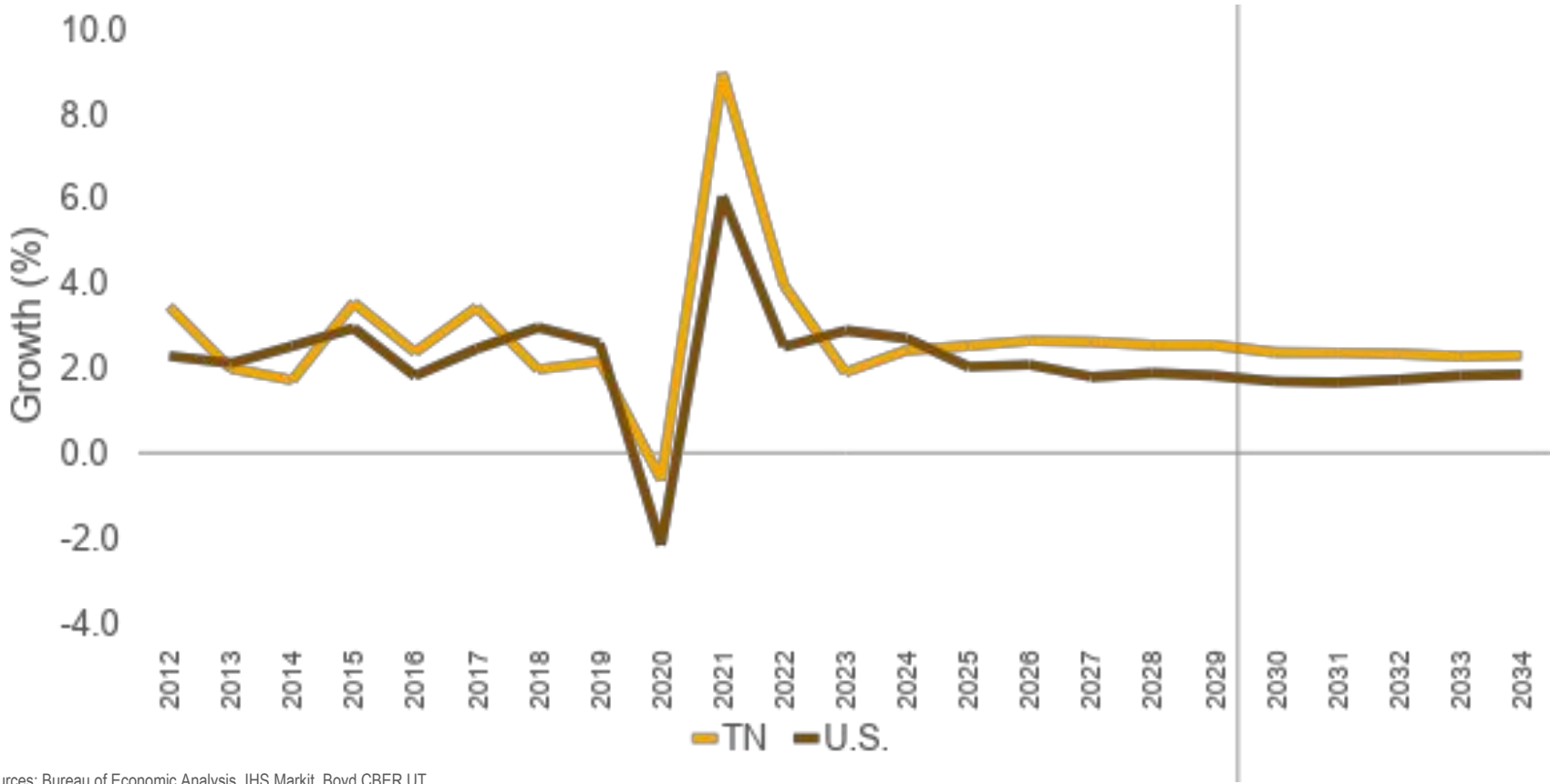
1.9%

2025

1.9%

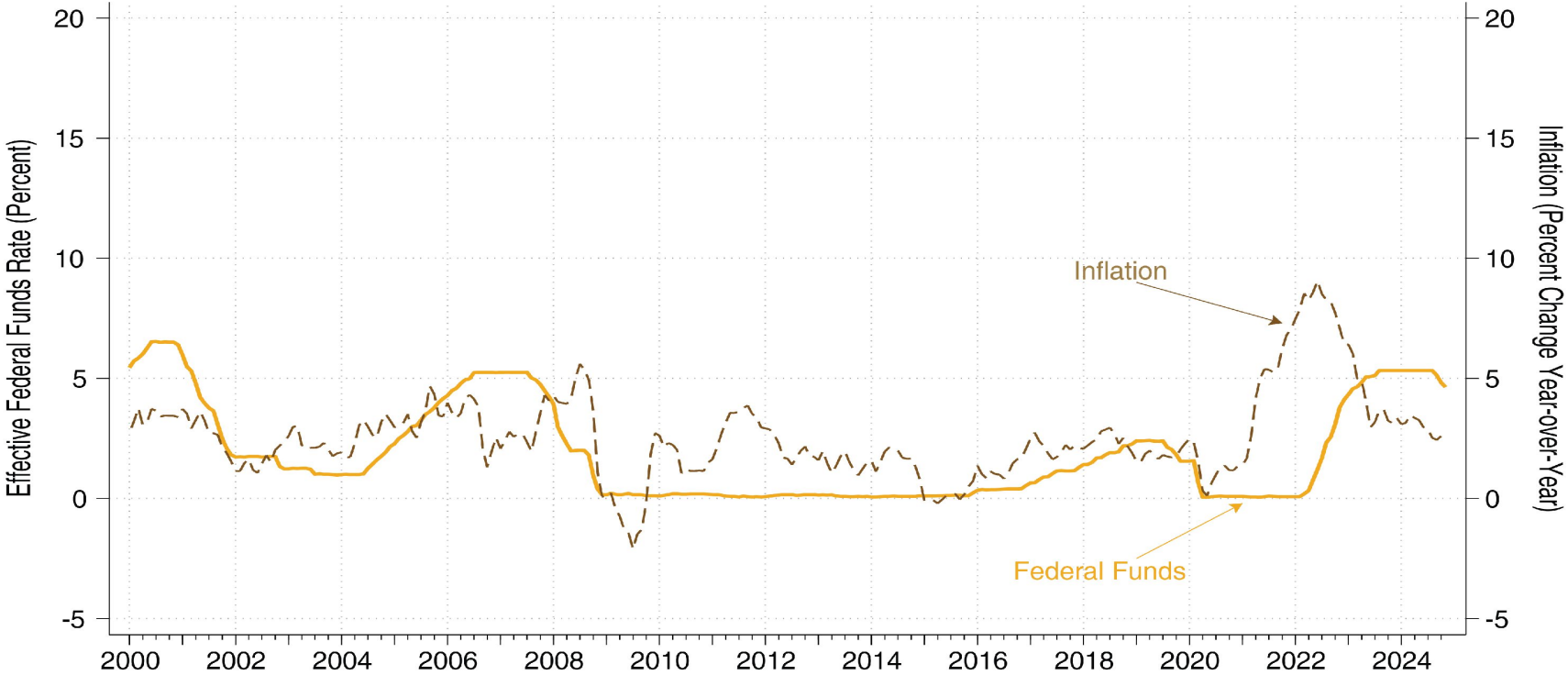
2026

ERG Fig. 2.26: Real GDP Forecast, Tennessee and the U.S.



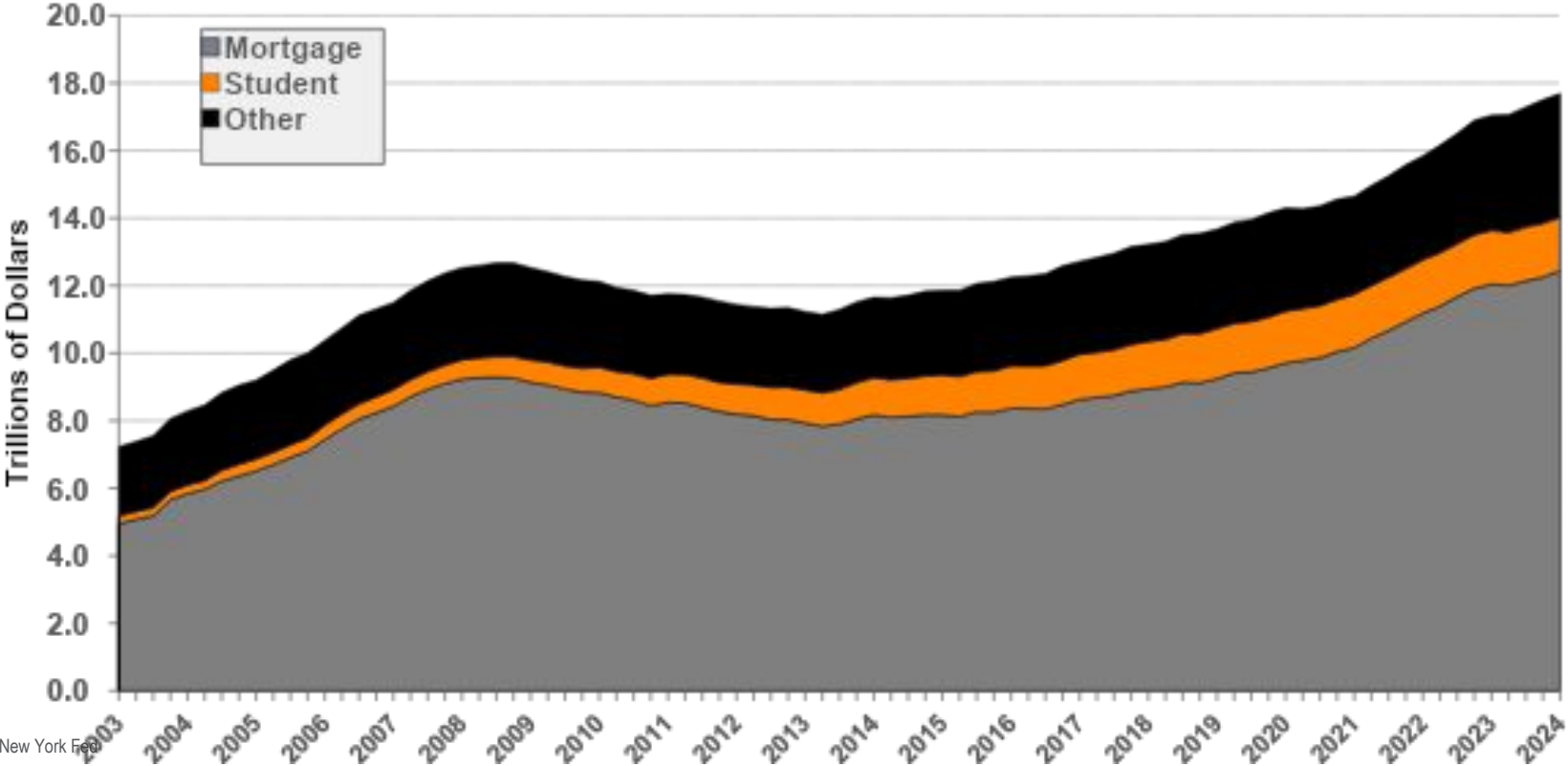
Sources: Bureau of Economic Analysis, IHS Markit, Boyd CBER UT.

ERG Fig. 1.8: Interest Rates Have Decreased Slightly, As Federal Reserve Balances Inflation Concerns with a Desire to Stimulate Growth



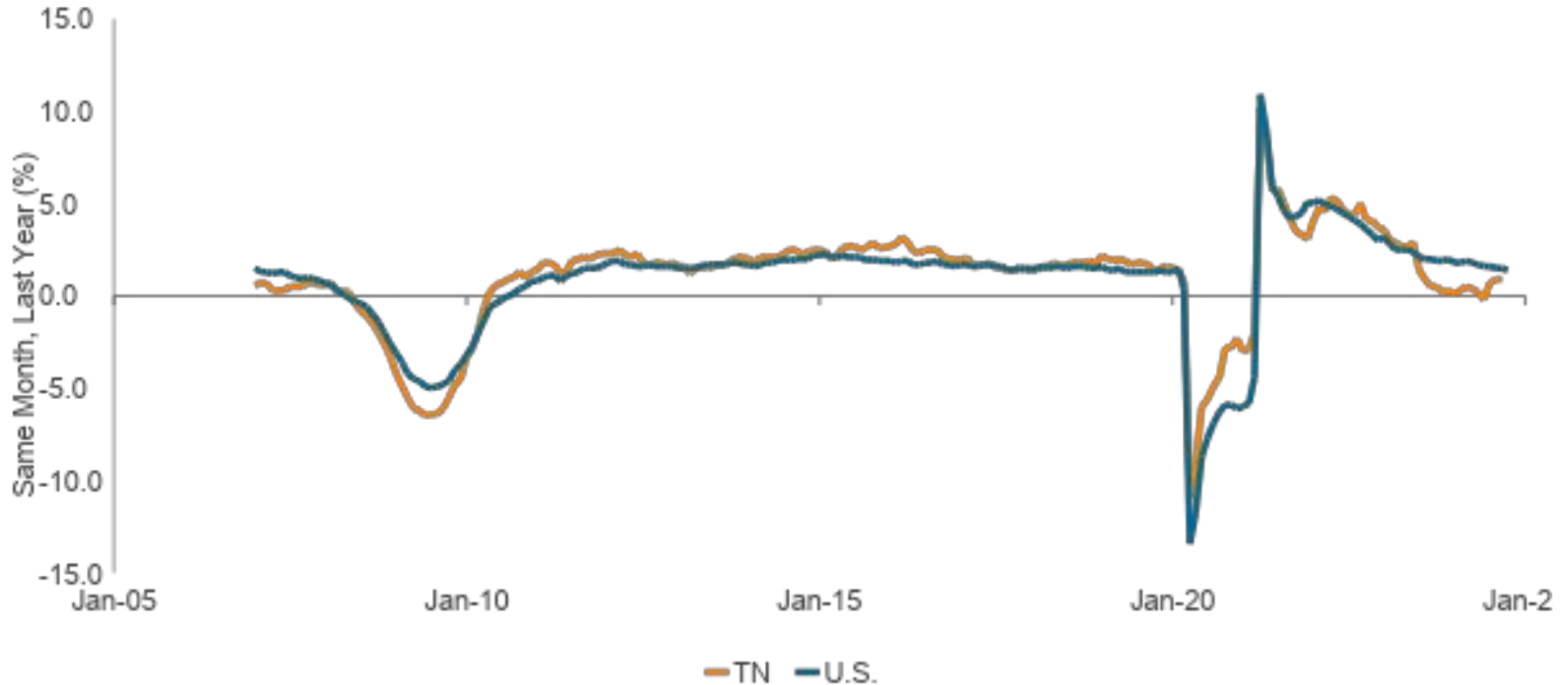
Sources: Bureau of Economic Analysis, IHS Markit, Boyd CBER UT.

Consumer Debt Balance



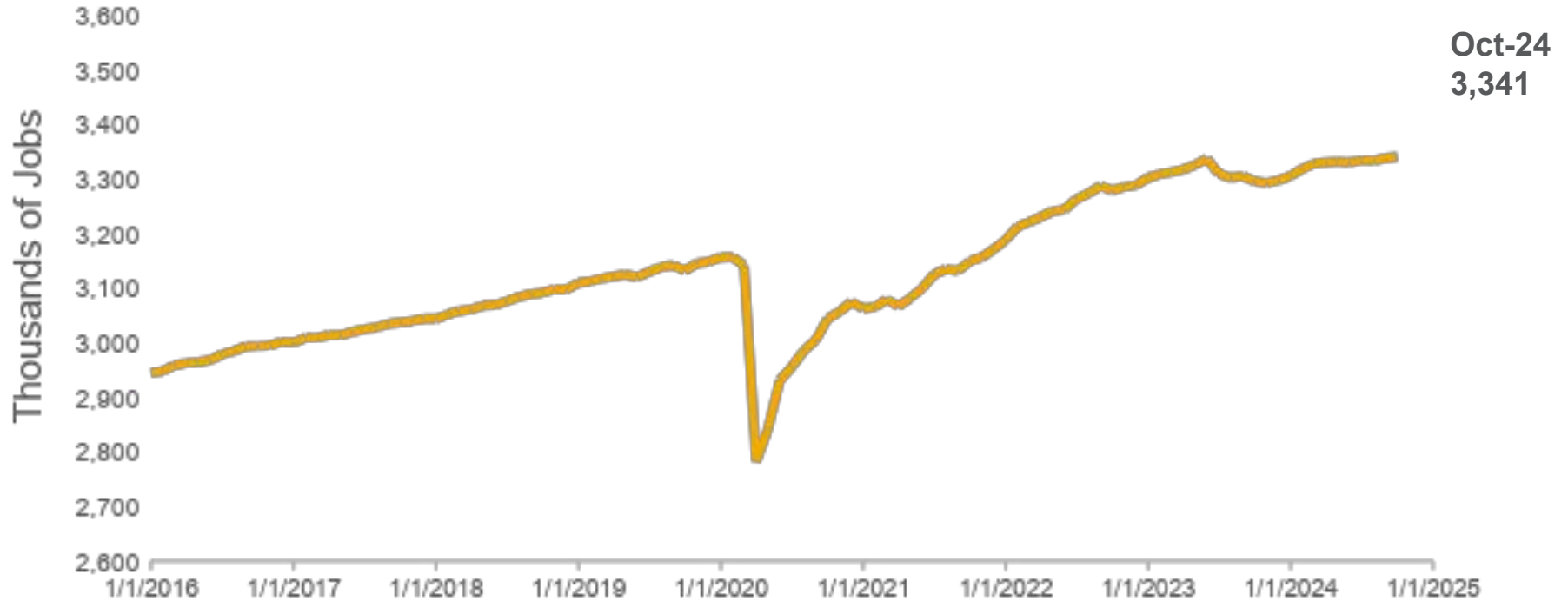
Source: New York Fed

TN and U.S. Job Growth Strong but Slowing



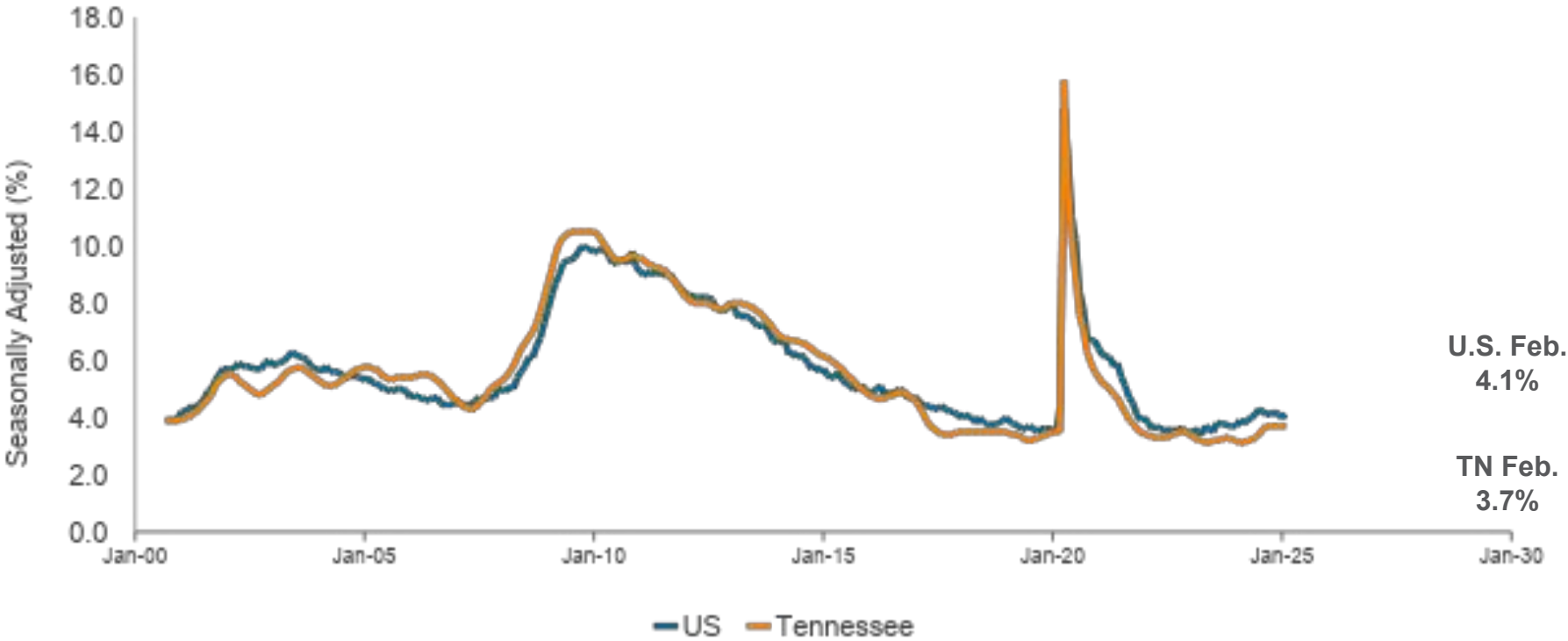
Source: Bureau of Labor Statistics

ERG Fig. 2.1: There are Nearly 184,000 More Workers in Tennessee Than There Were Prior to the Pandemic, but Job Gains Have Slowed Since the Summer of 2023



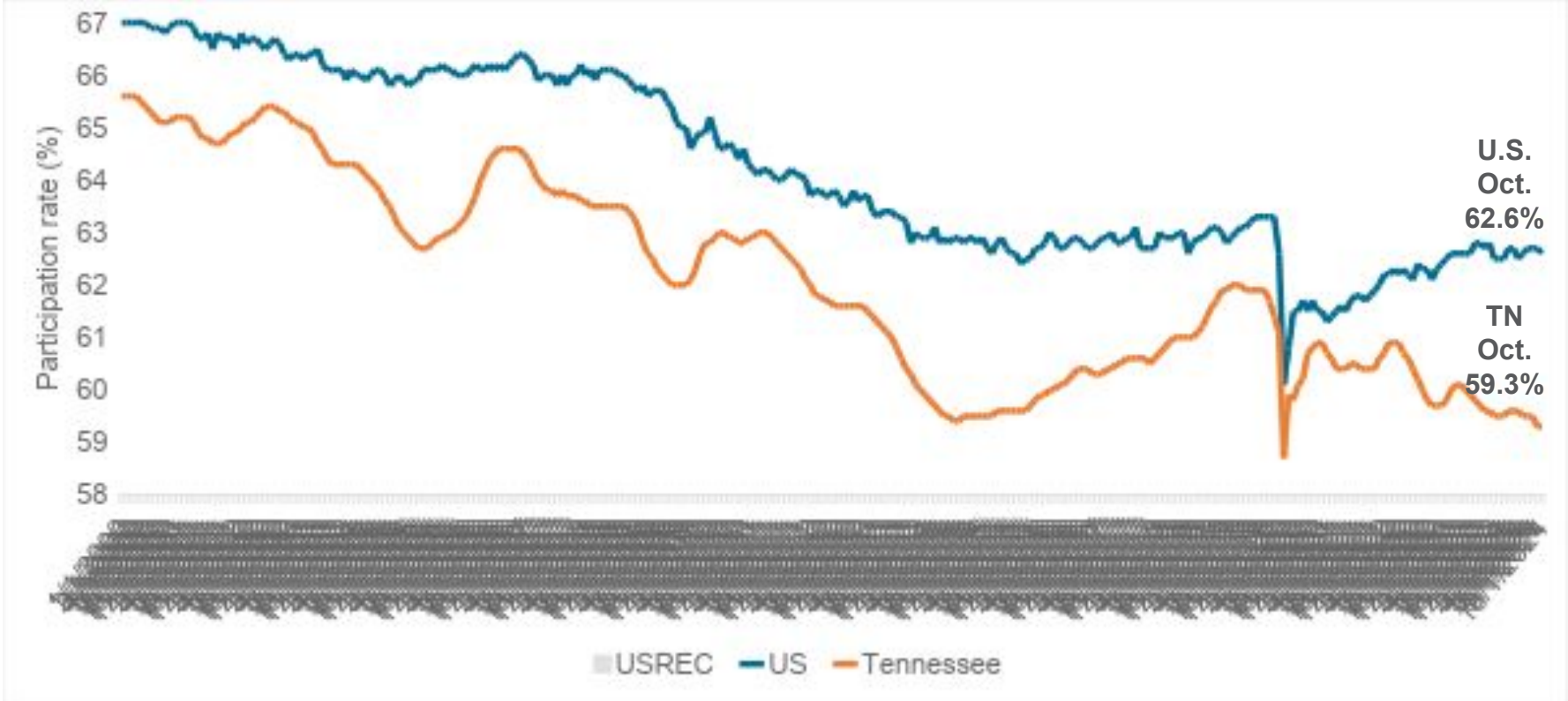
Source: Bureau of Labor Statistics

Unemployment Rates Remain Very Low, but Rising



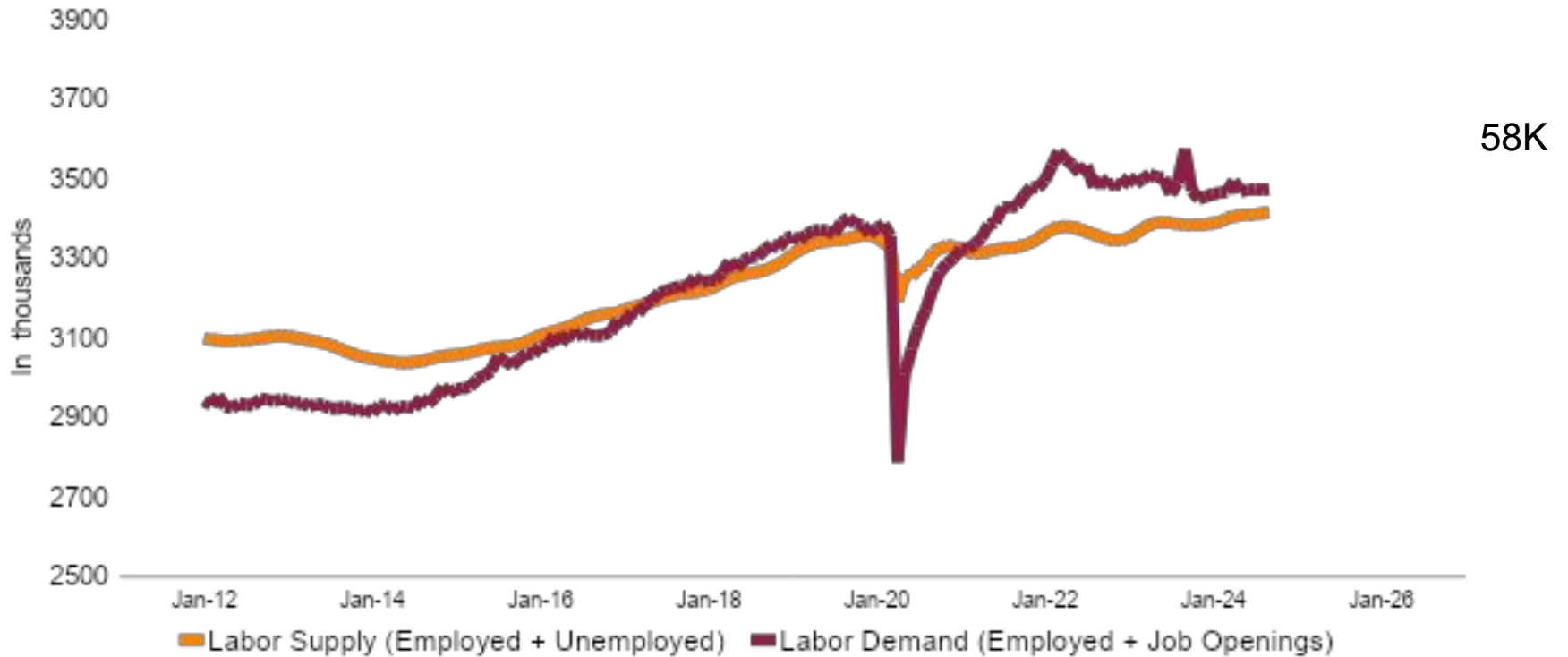
Source: Bureau of Labor Statistics

Labor Force Participation is Still Depressed



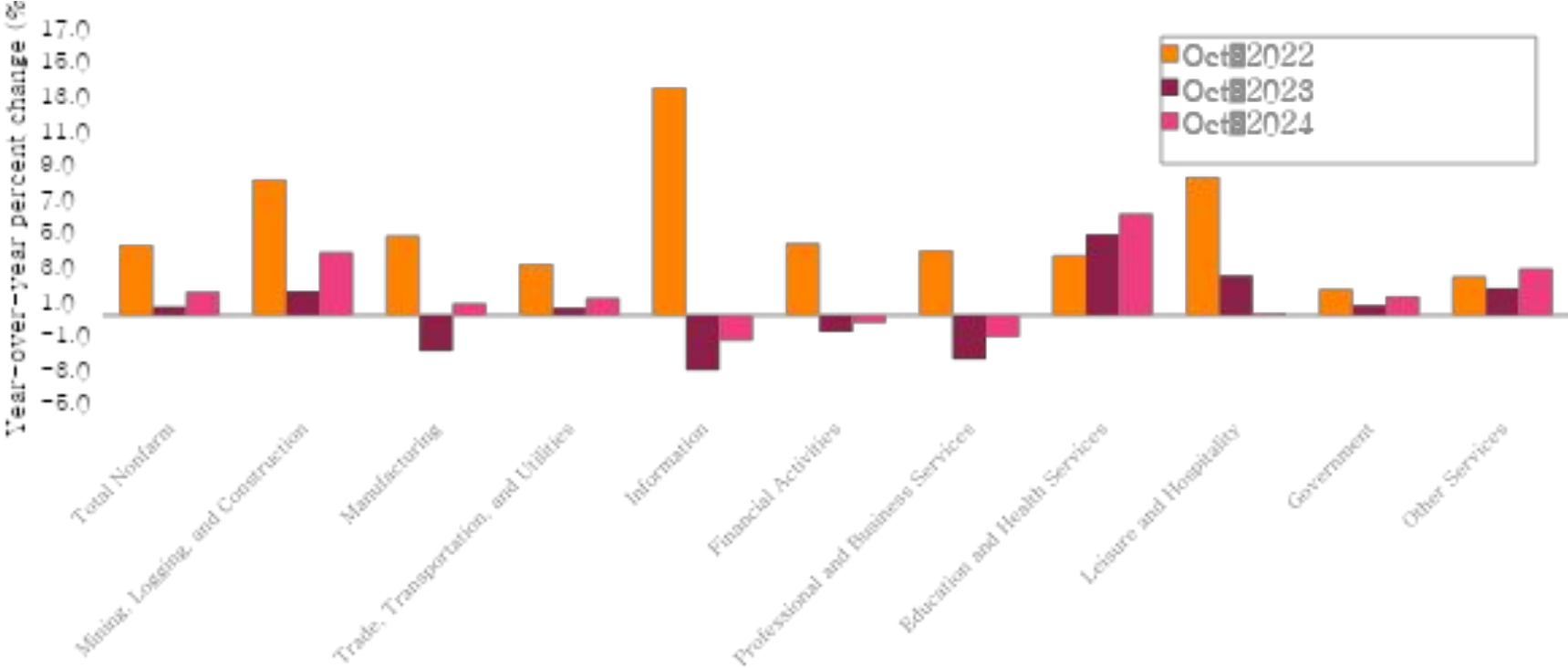
Source: Bureau of Labor Statistics

Worker Shortage in Tennessee



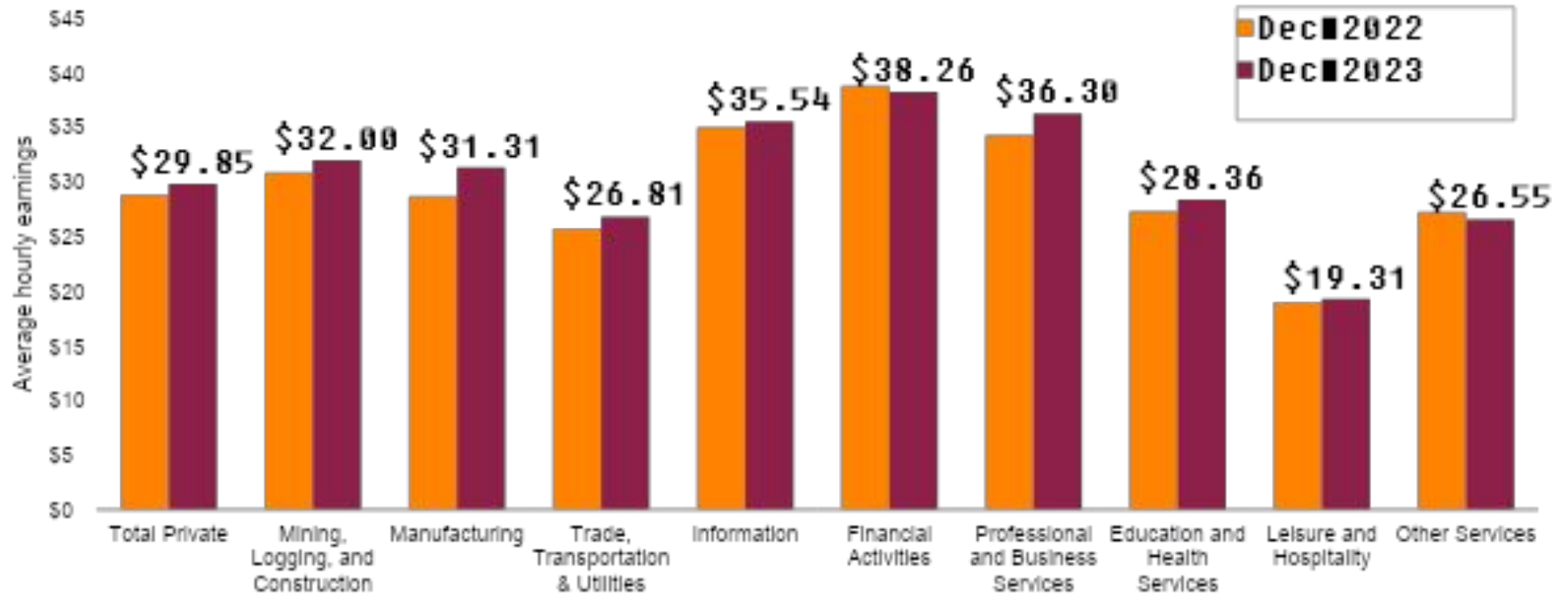
Source: Bureau of Labor Statistics

ERG Fig. 2.2: Job Growth Has Softened Across Most Broad Sectors in Tennessee



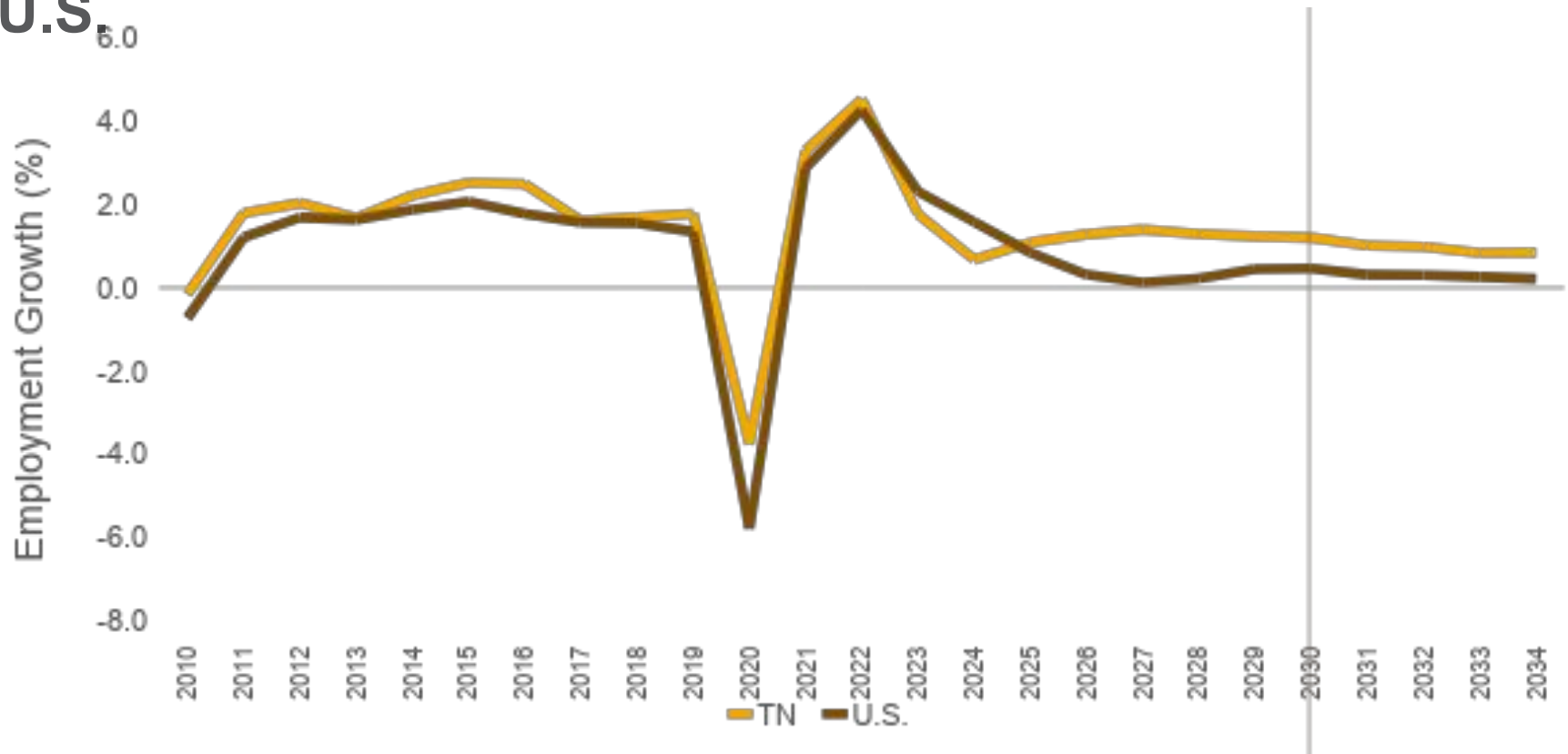
Source: Bureau of Labor Statistics

ERG Fig. 2.12: Average Hourly Earnings in Tennessee Across Broad Sectors



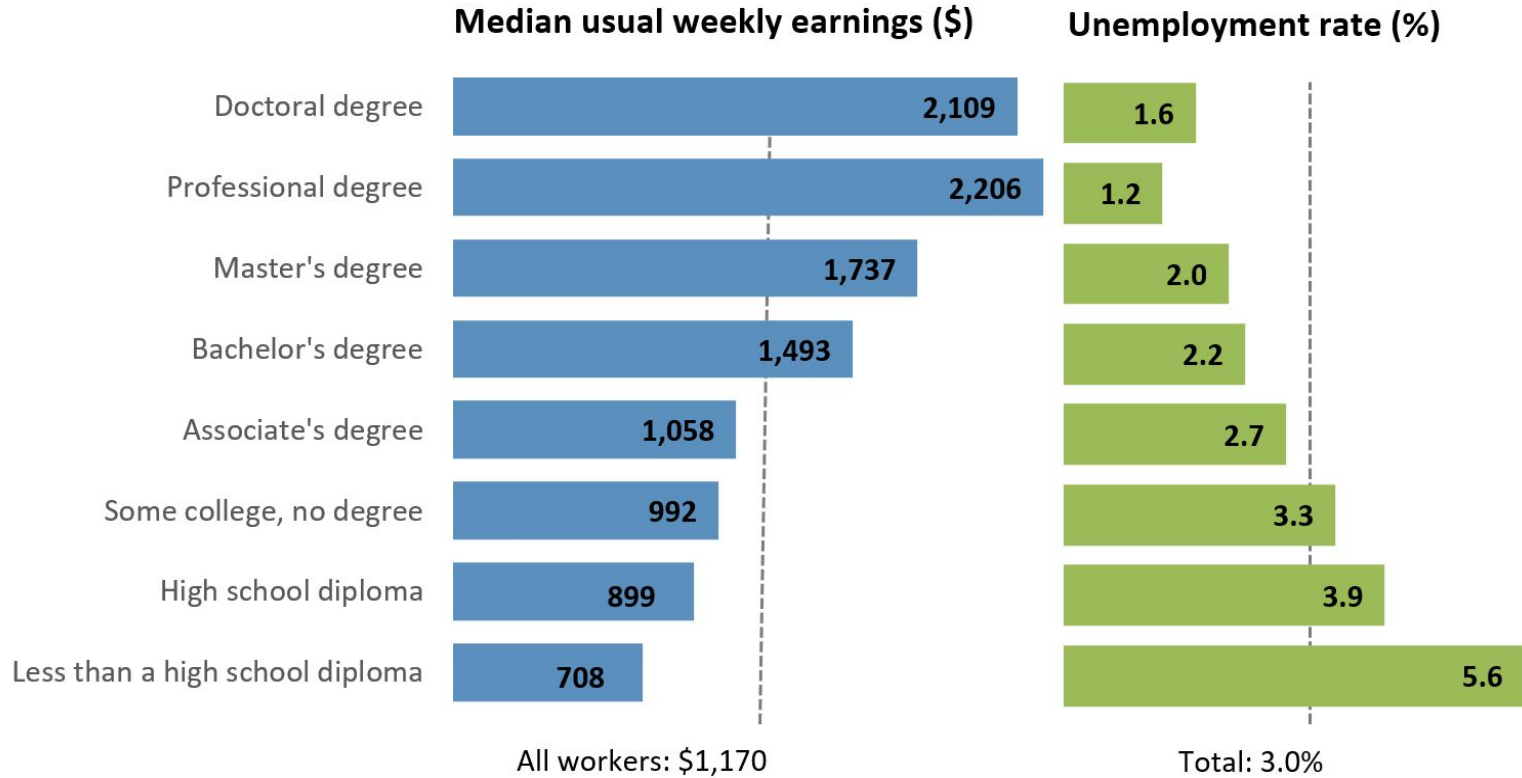
Source: Bureau of Economic Analysis

ERG Fig. 2.27: Employment Forecast, Tennessee and the U.S.



Sources: Bureau of Labor Statistics, IHS Markit, and Boyd CBER UT.

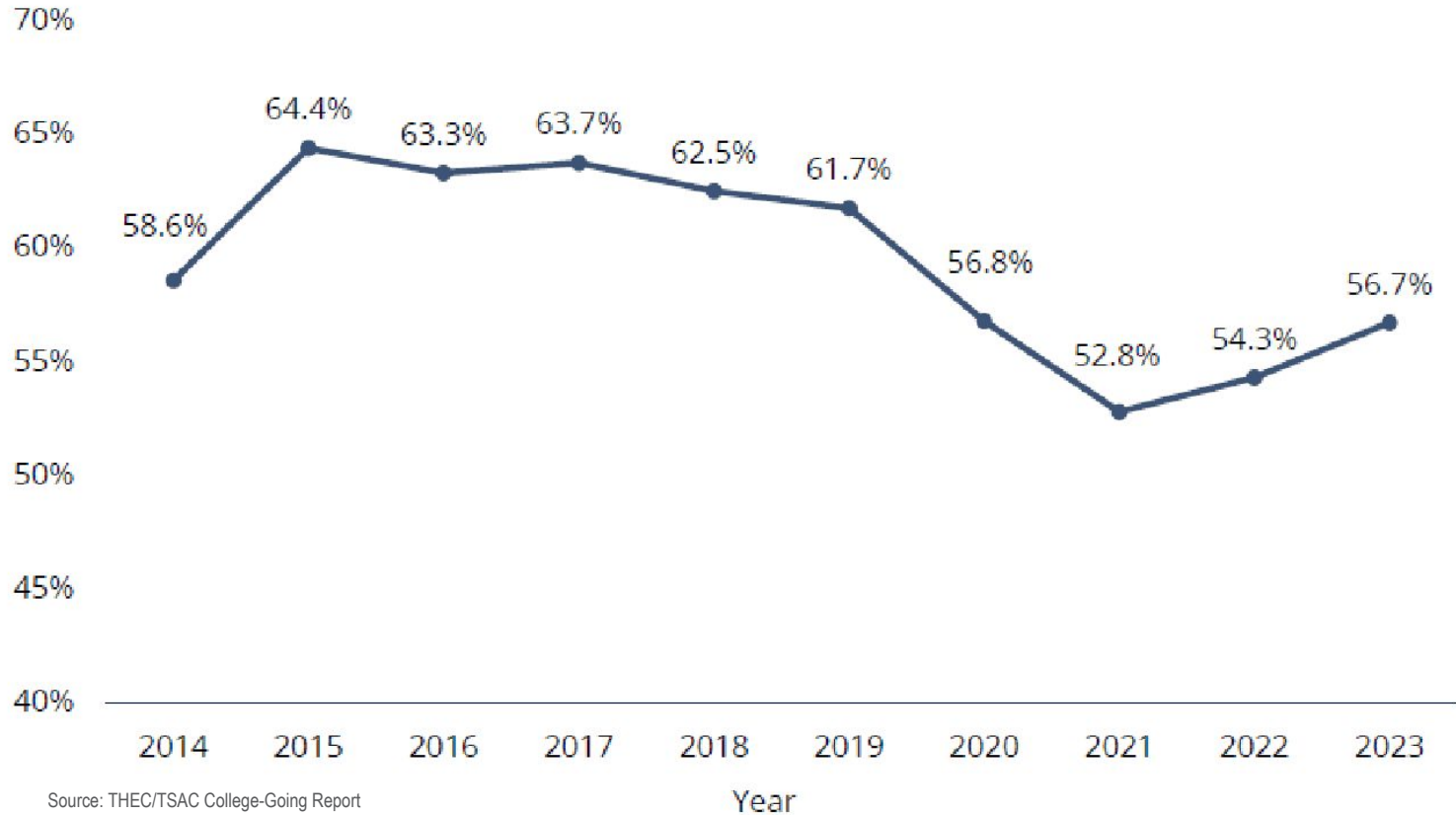
Earnings and unemployment rates by educational attainment, 2023



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Fewer Tennesseans are Going to College (12th Grade College-Going Rate, THEC/TSAC)



Source: THEC/TSAC College-Going Report

New Research from Celeste Carruthers!

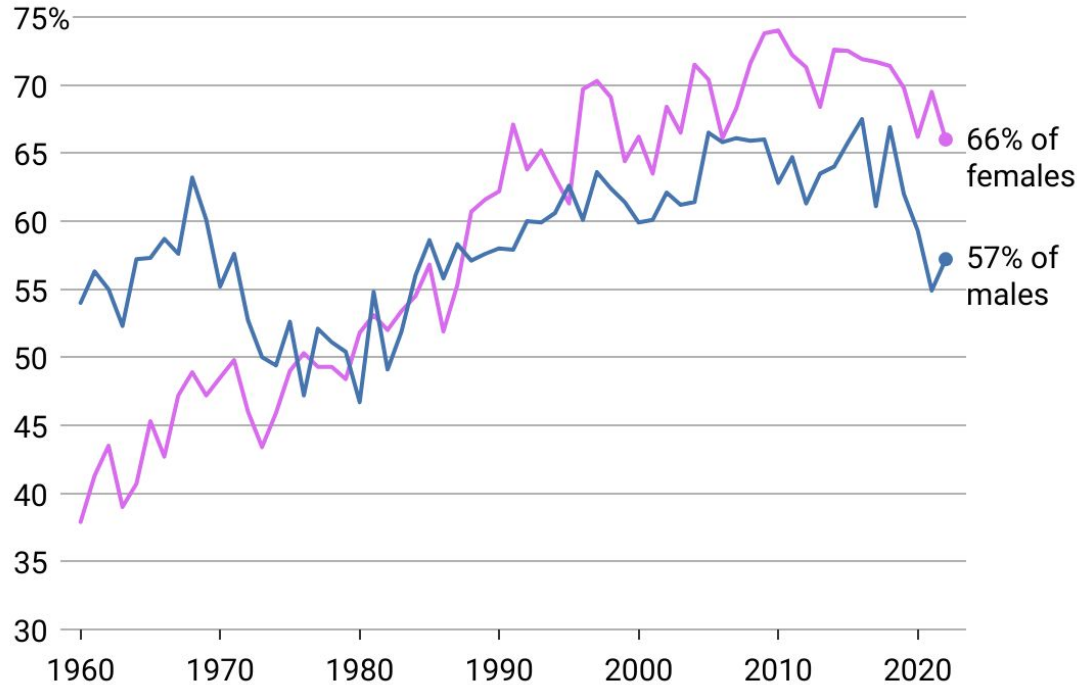
- Labor market conditions affect the decision to go to college: the tight labor market of 2021-2023 only explains 11% of the decline in college enrollment (and only about 26% of decline in community college enrollment)
- “Effects are concentrated among Black students, students with low or missing ACT scores, and CTE students in Advanced Manufacturing and Hospitality, two areas that experienced labor shortages after the 2020 recession.”

Carruthers, Celeste K. “Post-COVID Labor Market Shortages and College Enrollment.” Working Paper, February 2025.

Young men enrolled in any type of college declining

Enrollment for recent male high school graduates peaked in 2016.

Recent high school graduates enrolled



Note: Data includes enrollment in two-year and four-year institutions.

Data source: National Center for Education Statistics

By Dom DiFurio

TENNESSEE'S POST-PANDEMIC WORKFORCE: IMPLICATIONS FOR THE VALUE OF GOING TO COLLEGE

February 2023

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THE VALUE OF A COLLEGE EDUCATION IN TENNESSEE

August 2023

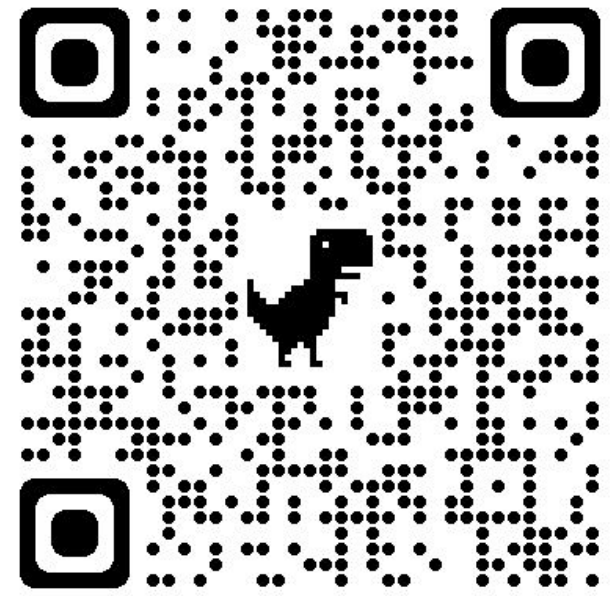
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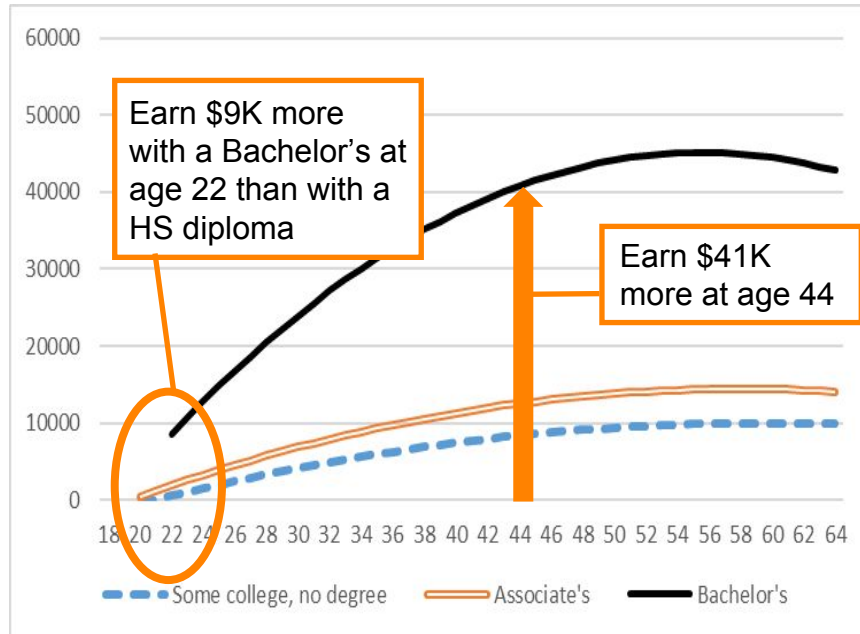
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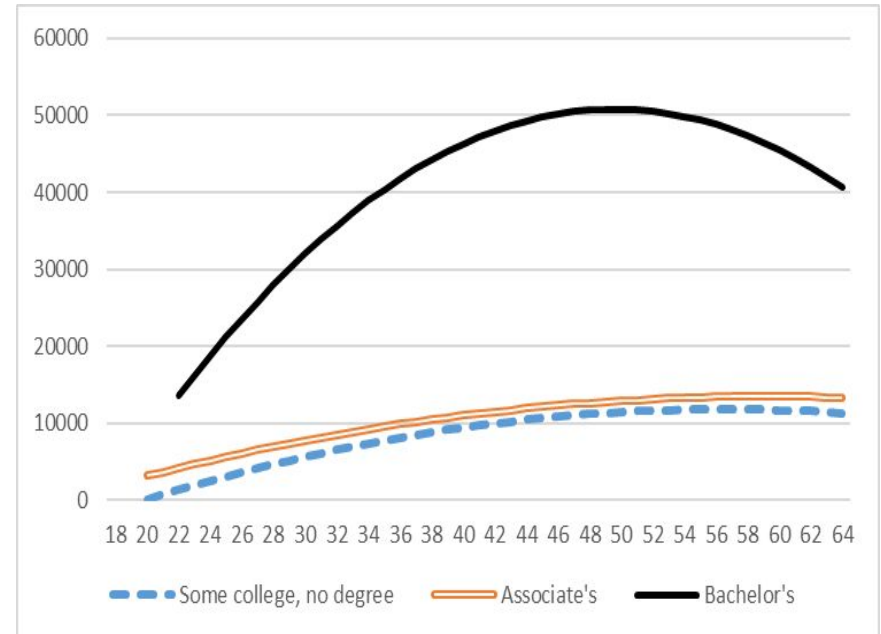
<https://haslam.utk.edu/boyd-center/education/>

College Educated Workers Earn More than HS Educated Workers, and the Gap Grows Through Midcareer

Tennessee



United States



Notes: Carruthers (2023) using the 2011-2021 American Community Survey, limited to 18-64 year-olds working full-time in the previous year.

TN Average Lifetime Earnings Premium (relative to HS grad)

BA	\$1.4 million
AA/AS	\$417,000
Some College w/o Degree	\$258,000

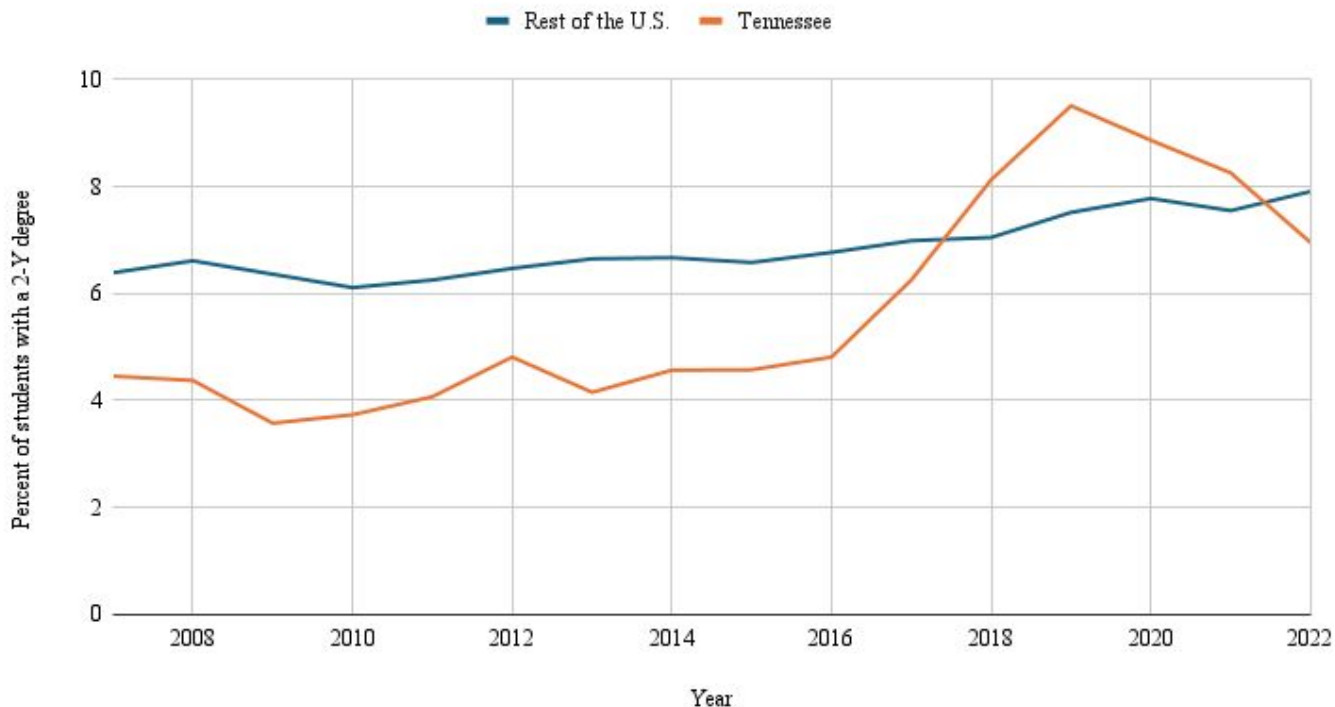


Promises Kept

- Early results (also from Celeste Carruthers) show that tuition-free community college:
 - increased immediate high-school-to-college enrollment,
 - increased AA/AS receipt down the road, and
 - had no precise effect either way on BA/BS receipt...
...and may have *increased* it.



Associate degrees among 20-22 year olds. Rising numbers of young adults earn two-year degrees after Tennessee launches free community college in 2014, but progress reverses after COVID.



Computations by Celeste Carruthers, University of Tennessee Knoxville. Data Source: American Community Survey, via IPUMS (<https://usa.ipums.org/usa/index.shtml>). Graph produced by Jill Barshay/The Hechinger Report.

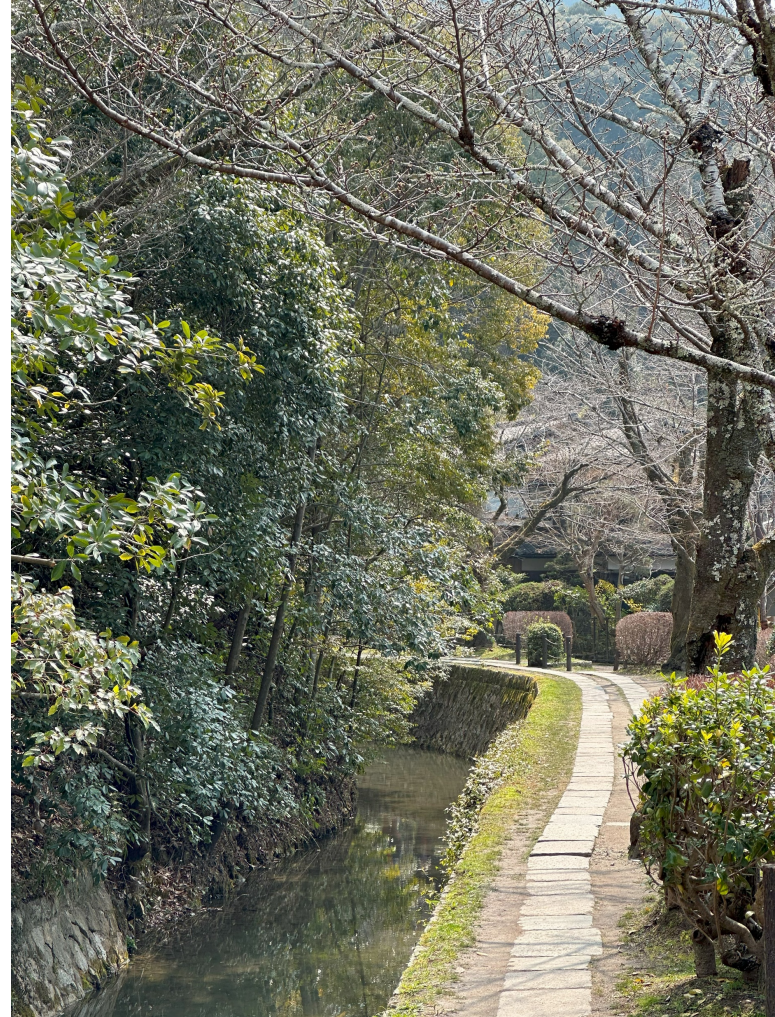
Bachelor's degrees among 22-24 year olds. Free community college appears not to have diverted students away from four-year degrees in Tennessee.



Computations by Celeste Carruthers, University of Tennessee Knoxville. Data Source: American Community Survey, via IPUMS (<https://usa.ipums.org/usa/index.shtml>). Graph produced by Jill Barshay/The Hechinger Report.

Imagining a Path Forward

- Meaningful change from within, led by system-level thinking
- Messaging needs an overhaul



Change from Within:



Continue/enhance scholarships and support – this works!



Enrollment and completion incentives, anyone?



More robust transfer opportunities and enhanced online offerings

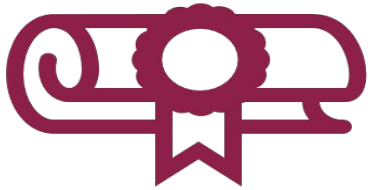


Rethink academic structures, semester calendars, and course formats

Embracing our Shared Mission:

- Jobs and income are important...but are not the only goals.
- Internal conflict (e.g., professional vs. general education) is not helpful.
- We can all afford to be more flexible.
- Remove institutional barriers to progress and completion.
- Avoid early over-specialization into narrow tracks; keep options open.
- **Quietly, confidently, and consistently combat misinformation.**

The Messaging Problem: Defend Private Value and Emphasize Public Value



The PRIVATE value to students

Tangibles like employment, earnings,
career advancement

Intangibles like critical thinking,
creativity, independence, responsibility



The PUBLIC value to society

Spillover benefits from an educated
population (or costs of the alternative!)

Research/outreach, economic impact





Most of us have only ever known an educated society and cannot imagine the alternative.



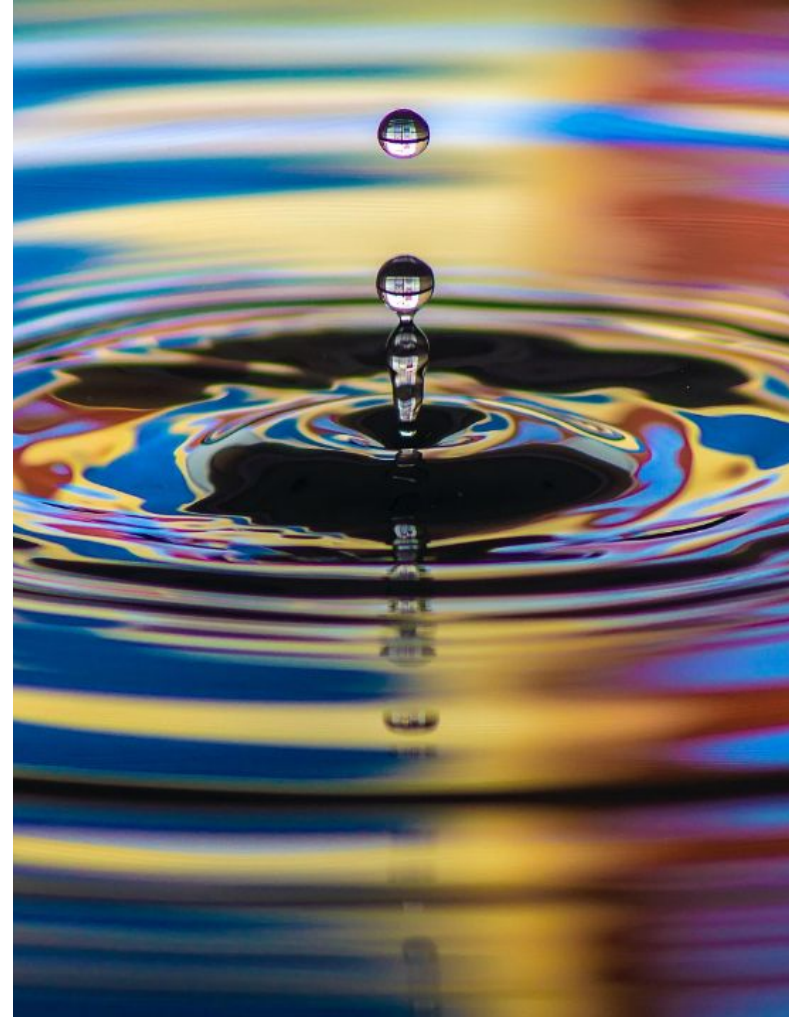
The Value of Research

- Many things that we take for granted today emerged from academic research.
 - *Hundreds of millions of dollars in the state of Tennessee each year!*
- What stories can you tell from research on your campuses that *everyone* can appreciate and be proud of?
 - Medical treatments?
 - Home electronics?
 - Automotive technology?

The Economic Impact

- Our institutions create substantial amounts of employment and income throughout the state, generating “ripple effects” as those dollars are spent and become someone else’s earnings.
- Our latest estimate for the UT System is a total impact of 79,000 jobs and nearly \$4 billion in income as of 2022

This amounts to about 1.4 jobs and \$71,400 in income per enrolled student!





- Listen to (and respect) those who question our obvious value.
- Emphasize our value without implicitly denigrating those who have made the decision to not pursue a college degree.



If you want to be
loved, be lovable.

Ovid

quote fancy



THE UNIVERSITY OF
TENNESSEE
SYSTEM

TICUA



THEC



SCORE

State Collaborative on Reforming Education



- Work together to supply the **workers** for tomorrow's labor market...
...and the **educated citizens** for tomorrow's society.



- Work together to supply the workers for tomorrow's labor market...
...and the educated citizens for tomorrow's society.
- Modernize our approach to meet today's students where they are...
...and **get them to where we know they can go.**

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...and get them to where we know they can go.
- We cannot afford for enrollment to be a **zero-sum game**.

- Work together to supply the workers for tomorrow's labor market...
...and the educated citizens for tomorrow's society.
- Modernize our approach to meet today's students where they are...
...and get them to where we know they can go.
- We cannot afford for enrollment to be a zero-sum game.
- Public support (direct appropriations and/or tax-deductible donations) comes with a larger **responsibility to deliver the goods.**

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